

DEPARTMENT OF THE AIR FORCE

HEADQUARTERS UNITED STATES AIR FORCE WASHINGTON DC

NOV 1 2005

MEMORANDUM FOR ALMAJCOM/OFA/DRU

FROM: HQ USAF/SGO

110 Luke Ave, Room 400 Bolling AFB DC 20032-7050

SUBJECT: Health Insurance Portability and Accountability Act National Provider Identifier

Type 2 Enumeration Policy and Implementation Plan

This policy memorandum establishes the plan for enumerating organizational (Type 2) health care providers within the Air Force Medical Service as required by the Health Insurance Portability and Accountability Act (HIPAA) (Public Law 104-191) National Provider Identifier (NPI) final rule (45 Code of Federal Regulations, Part 162). The NPI final rule establishes the NPI as the national standard and unique provider identifier. It is to be used throughout the United States healthcare system to identify health care providers in HIPAA-covered standard transactions. The purpose of the NPI is to improve the efficiency of electronic transmission of health information.

Health care providers who conduct HIPAA standard electronic transactions are classified as "covered providers." The final rule identifies two categories of providers, NPI Entity Type 1 and Type 2. NPI Entity Type 1 classification is used for individual providers such as physicians, nurses, and dentists. NPI Entity Type 2 classification identifies organizational providers such as hospitals, laboratories, pharmacies, clinics and groups. A separate policy that addressed the enumeration of Entity Type 1, individual providers was distributed to you on 15 Jul 05.

To ensure compliance with DOD policy, AFMS implementation guidance is attached (Attachment 3). My point of contact is SMSgt DeLisa E. Prater, AF/SGYR, DSN 761-6627, or by email: delisa.prater@pentagon.af.mil.

CHARLES B. GREEN

Major General, USAF, MC, CFS

Assistant Surgeon General, Health Care Operations

Office of the Surgeon General

Attachments:

- 1. CMS Announcement
- 2. ASD(HA) Policy 05-012
- 3. AFMS NPI Type 2 Guidance

Attachment 3

Instructions for Obtaining Entity Type 2 National Provider Identifiers (NPI) for Military Health System (MHS) Organizational Health Care Providers

- 1. This document addresses the implementation instructions/guidance and mandate for enumerating organizational (Type 2) health care providers within the Military Health System (MHS) as required by the HIPAA National Provider Identifier (NPI) final rule 45 CFR. Under provisions of the National Provider final rule, all organizational health care providers conducting HIPAA covered standard electronic transactions (billing) must obtain and use an NPI by May 2007. In other words, if MTFs do not receive NPIs by 2007, they will not receive payment from third party payers on E-bills.
- 2. TRICARE Management Activity (TMA) and representatives of the Services developed this instruction for organizational military health care providers to follow when applying for National Provider Identifiers (NPI) Type 2.
- 3. Beginning Oct 28, 2005 all MHS organizational health care providers need to begin applying for their NPI Type 2 either by web application via the National Plan and Provider Enumeration System (NPPES) or paper form.
- 4. In order to facilitate this transition/requirement the AF UBO PM will request through MAJCOM UBO PMs for each MTF (RMO POC) to apply online for the NPI Type 2. Once MTFs receive their NPI number, it should be submitted to both the MAJCOM UBO PM and AF UBO PM. AF UBO PM will ensure that once received, MTF NPI numbers are submitted to the appropriate MHS data base repository, which is currently slated to be DMRHSi.
- 5. CMS has developed an on-line NPI application available at https://nppes.cms.hhs.gov. This application should be completed on-line by MTF RMO POCs per the instructions available on the NPPES website. The information collected on the application is used to uniquely identify the health care provider organization. CMS also has paper forms, which can be downloaded in pdf format from the CMS forms page (www.cms.hhs.gov/forms).
- 6. NPIs will be assigned at no fee by the Centers for Medicare and Medicaid Services (CMS) NPPES.
- 7. Organizations may apply for and will receive only one NPI. This NPI will be a permanent identifier, that is unless circumstances justify deactivation, such as a NPI being used fraudulently by another entity. Then, the organization can apply and will be eligible for a new NPI, and the previously assigned NPI will be deactivated. The NPI does not need to be renewed.
- 8. Organizations can contact AF/SGY with their specific questions at 703-681-6627 or DSN761-6627.
- 9. The Defense Medical Human Resource System internet (DMHRSi) has been designated by TMA to be the NPI storage system of record. The AF UBO PM will email the MTF's NPI response to the Central TMA DMHRSi office at NPI@tma.osd.mil. This office is responsible for entering the NPI into DMHRSi.

- 10. When data originally submitted on the NPI application changes, NPI data in the NPPES must be updated within 30 days of the change in order to remain HIPAA compliant.
- 11. TMA POC is Lt Col Jeanne Yoder, commercial phone number (703) 681-3492, email jeanne.yoder@tma.osd.mil. AF POC is SMSgt DeLisa Prater, DSN 761-6627, commercial (703) 681-6627, email delisa.prater@pentagon.af.mil.

Attachment 2

THE ASSISTANT SECRETARY OF DEFENSE



WASHINGTON, D. C. 20301-1200

AUG 1 2005

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (M&RA)
ASSISTANT SECRETARY OF THE NAVY (M&RA)
ASSISTANT SECRETARY OF THE AIR FORCE
(M&RA)

SUBJECT: The Health Insurance Portability and Accountability Act National Provider Identifier Enumeration Process for Military Health System Organizational (Type 2) Health Care Providers

This policy memorandum establishes the plan for enumerating organizational (Type 2) health care providers within the Military Health System (MHS) as required by the Health Insurance Portability and Accountability Act (HIPAA) (Public Law 104-191) National Provider Identifier (NPI) final rule (45 Code of Federal Regulations, Part 162). In order to institutionalize this policy within the Department of Defense (DoD), a DoD Instruction will follow. The HIPAA NPI final rule establishes the NPI as the standard and unique provider identifier. The NPI is to be used throughout the entire United States health care system to identify health care providers in HIPAA covered standard electronic transactions. The NPI is a ten-position numeric identifier that does not contain intelligence about the provider. The purpose of the NPI is to improve effectiveness and efficiency of the health care industry by enabling more efficient electronic transmission of certain health information.

Under provisions of the NPI final rule, those organizational health care providers conducting HIPAA covered standard electronic transactions are considered "covered providers." They must obtain and use an NPI by May 23, 2007. While "covered providers" are required to obtain and use the NPI, all health care providers as defined by section 1861 (u) of the Act, or a provider of medical or other health services as defined in section 1861 (s) of the Act are eligible to be assigned NPIs and, therefore, may also obtain an NPI.

The NPI final rule also established two categories of health care providers for enumeration purposes. Examples of Entity Type 1 providers are individuals, such as physicians, nurses, dentists, and pharmacists. Examples of Entity Type 2 providers are organizational providers such as hospitals, laboratories, pharmacies, clinics, and groups. This policy memorandum addresses the requirements related to Entity Type 2 (organizational) providers. A separate policy to address enumeration of Entity Type 1 (individual) providers was signed on January 26, 2005.

HA POLICY: 05-012

The policy guidance outlining responsibilities of the Military Departments' Surgeons General, military treatment facilities (MTFs), and TRICARE Management Activity's (TMA's) Pharmacy Operations regarding enumeration of MHS organizational providers is found at attachment 1. An example of MTFs requiring an NPI Type 2 is contained in attachment 2.

My point of contact for this initiative is Lt Col Jeanne Yoder, who may be reached at (703) 681-3492 or Jeanne.Yoder@tma.osd.mil.

William Winkenwerder, Jr., MD

Attachments:

As stated

cc:

Assistant Secretary of Defense (Reserve Affairs) Surgeon General of the Army Surgeon General of the Navy Surgeon General of the Air Force

HA POLICY: 05-012

Policy Guidance for National Provider Identifier (NPI) Enumeration of Military Health System (MHS) Type 2 (Organizational) Providers

The following paragraphs outline the responsibilities of the Military Departments Surgeons General, Military Treatment Facilities (MTFs) and TRICARE Management Activity's (TMA's) Pharmacy Benefit Operations regarding compliance with the NPI final Rule. These responsibilities were developed through analysis of the NPI final rule and the Military Health System's (MHS) current business processes by the NPI Integrated Project Team which included representatives from the Military Departments and TMA.

Types of Organizational Providers Required to Obtain NPIs:

Enumeration of MHS organizational providers will take place in a phased approach beginning with the types of facilities listed below. This list is based on current business processes and the need to identify MHS organizational providers when conducting business using HIPAA electronic standard transactions. An example of MTFs (and their associated provider taxonomies) needing to obtain an NPI Type 2 due to HIPAA electronic transactions for billing is attached. The first phase includes enumeration of the following:

- MTFs with legislative authority to bill including Defense Health Program (DHP) funded facilities and aero medical evacuation system.
- MTF pharmacy dispensing locations that currently have a National Council for Prescription Drug Programs (NCPDP) Provider Identification number.

As future business processes are developed, it may be necessary to reevaluate the need to enumerate additional facilities or subparts of a facility. For example, it is possible that future business requirements for conducting or receiving electronic referrals using the HIPAA standard will require the need to identify clinics, subparts or other facilities; therefore the need to implement subsequent phases of enumeration for additional organizational MHS providers is possible and should be anticipated. Any future guidance regarding additional enumeration of MHS organizational providers as a result of changes to business processes will be provided by the business process owners.

Enumeration Responsibilities:

The responsibilities for enumerating of MHS organizational providers will be shared among TRICARE Management Activity's Uniform Business Office (UBO), TMA's Pharmacy Program Office, the Military Departments and MTFs.

TMA UBO Responsibilities:

Provide guidance to the Military Departments by August 1, 2005 on how to complete the
application to apply for an NPI for the MTFs.

Military Department Responsibilities:

 Ensure that current and future MHS organizational providers fitting the description above obtain NPIs.

MTF Responsibilities:

- Designate an entity within each MTF that will be responsible for submitting the initial NPI application and any future NPI data updates to the National Plan and Provider Enumeration System (NPPES).
- MTFs should begin submitting NPI applications to the NPPES starting October 1, 2005.
- Ensure that once received, NPIs are submitted to the appropriate MHS data base / repository prior to May 23, 2007.
- Ensure that if any data submitted on the original NPI application changes that an
 update is submitted to the NPPES and the TMA database / repository within 30 days
 of the change.

TMA Pharmacy Program Office Responsibilities:

- Ensure that NPIs are obtained for all current and future pharmacy dispensing locations by
 either submitting NPI applications for each dispensary location to the NPPES or by
 coordinating with the NCPDP organization in submission of a batch file by the NCPDP
 to the NPPES.
- NPI applications for MHS pharmacy dispensing locations should be submitted to the NPPES after July 1, 2005.
- Ensure that once received, NPIs for pharmacy dispensing locations are submitted to the TMA central database of record prior to May 23, 2007.
- Ensure that if any data submitted on the original NPI application changes that an update
 is submitted to the NPPES and the TMA database / repository within 30 days of the
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Example of MTFs Expected to obtain NPI Type 2

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Attachment 1



MAY 6 2005

Administrator
Washington, I:C 20201

National Provider Identifier Activities Begin in 2005

Dear Health Care Provider:

The Centers for Medicare & Medicaid Services (CMS) is pleased to announce the availability of a new identifier for use in the standard electronic health care transactions. The National Provider Identifier (NPI) will be the single provider identifier, replacing the different provider identifiers you currently use for each health plan with which you do business. This identifier, which implements a requirement of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), must be used by most HIPAA covered entities, which are health plans, health care clearinghouses, and health care providers that conduct electronic transactions for which the Secretary has adopted a standard (i.e., standard transactions). This letter will help you to understand the background of this requirement and what steps you need to take to apply for and receive an NPI.

The NPI is one of the steps that CMS is taking to improve electronic transactions for health care. National standards for electronic health care transactions encourage electronic commerce in the health care industry and simplify the processes involved to reduce the administrative burdens on health care providers. With national standards and identifiers in place for electronic claims and other transactions, health care providers will be able to submit transactions to any health plan in the United States. Health plans will be able to send standard transactions such as remittance advices and referral authorizations to health care providers. These national standards will make electronic data interchange a viable and preferable alternative to paper processing for health care providers and health plans alike.

To date, we have adopted and implemented the following HIPAA standards: electronic health care transactions and code sets, privacy, security, and the national employer identifier.

We are now beginning to implement the NPI. On January 23, 2004, the Secretary published a Final Rule that adopted the NPI as this identifier. As of the compliance dates listed below, HIPAA covered entities must use NPIs to identify health care providers in standard transactions. These transactions include claims, eligibility inquiries and responses, claim status inquiries and responses, referrals, and remittance advices.

Page 2 - Health Care Provider

Health care providers include individuals, such as physicians, dentists, and pharmacists, and organizations, such as hospitals, nursing homes, pharmacies, and group practices. Health care providers who transmit health information electronically in connection with any of the standard transactions are required by the NPI Final Rule to obtain NPIs, even if they use business associates, such as billing agencies, to prepare the transactions.

The NPI will replace health care provider identifiers that are in use today in standard transactions. Implementation of the NPI will eliminate the need for health care providers to use different identification numbers to identify themselves when conducting standard transactions with multiple health plans. Many health plans, including Medicare, Medicaid, and private health insurance issuers, and all health care clearinghouses must accept and use NPIs in standard transactions by May 23, 2007. Small health plans have until May 23, 2008. After those compliance dates, health care providers may use only their NPIs to identify themselves in standard transactions, where the NPI is called for.

You will be able to apply for your NPI in one of three ways:

- You may apply through an easy web-based application process, beginning May 23, 2005. The web address is https://nppes.cms.hhs.gov.
- You may prepare a paper application and send it to the entity that will be assigning the NPI (the Enumerator) on behalf of the Secretary, beginning July 1, 2005. A copy of the application, including the Enumerator's mailing address, will be available on https://nppes.cms.hhs.gov. You may also call the Enumerator for a copy. The phone number is 1-800-465-3203 or TTY 1-800-692-2326.
- With your permission, an organization may submit your application in an
 electronic file. This could mean that a professional association or perhaps a
 health care provider who is your employer could submit an electronic file
 containing your information and the information of other health care providers.
 This process will be available in the fall 2005.

Remember, you may apply for an NPI using only one of the ways described above. When gathering information for your application, be sure that all of your information, such as your social security number and Federal employer identification number, are correct. Once you receive your NPI, safeguard its use. The application form contains a Privacy Act Statement, which explains how we may disseminate the information collected in the application.

Page 3 – Health Care Provider

You may receive notices about the NPI from many of the health plans with which you do business. Remember that you need apply only once for an NPI. The same NPI is used for every health plan.

The transition from existing health care provider identifiers to NPIs in standard transactions will occur over the next couple of years. We urge health care providers to apply for an NPI beginning on May 23, 2005. While the NPI must be used on standard transactions with health plans, other than small health plans, no later than May 23, 2007, health care providers should not begin using the NPI in standard transactions on or before the compliance dates until health plans have issued specific instructions on accepting the NPI. Health plans will notify you when you can begin using NPIs in standard transactions. You should be aware that health plans might request that you begin using your NPI prior to the compliance dates. Applying for an NPI does not replace any enrollment or credentialing processes with any health plan, including Medicare.

You may obtain information about the NPI at www.cms.hhs.gov/hipaa/hipaa2. This site contains Frequently Asked Questions and other information related to the NPI and other HIPAA standards.

Beginning May 23, 2005, we will also provide up-to-date information about the NPI such as when and how to apply on the NPPES web site at https://nppes.cms.hhs.gov, or you may call the Enumerator at 1-800-465-3203 or TTY 1-800-692-2326.

Sincerely,

/s/

Mark B. McClellan, M.D., Ph.D.